

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

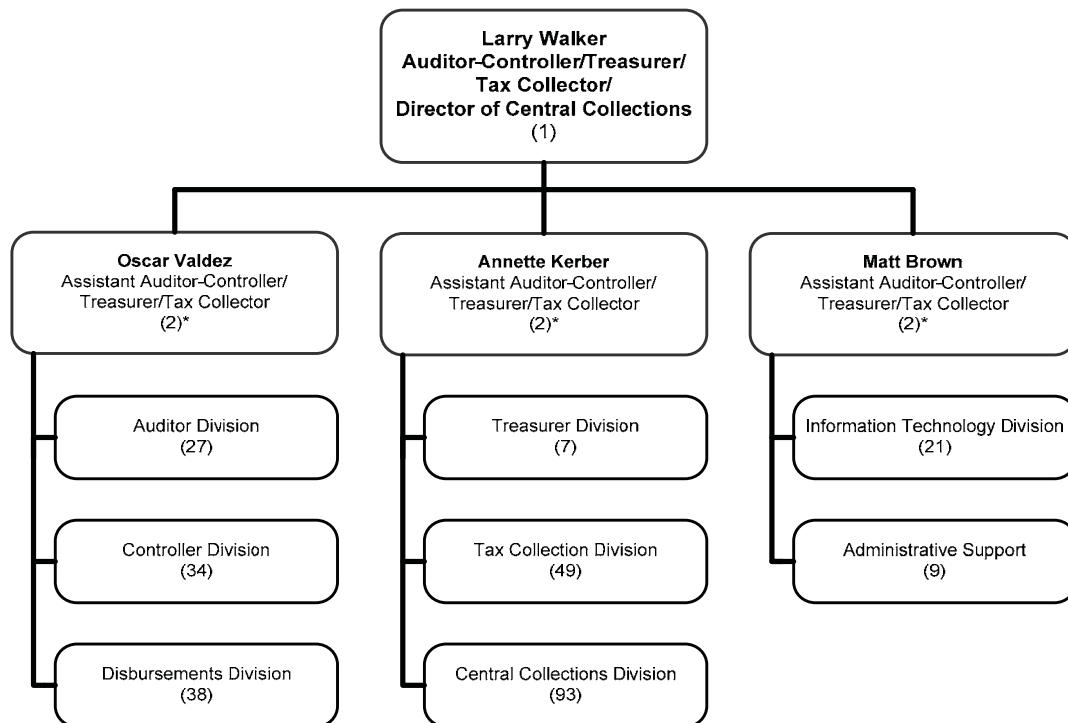
Larry Walker

MISSION STATEMENT

The Office of the Auditor-Controller/Treasurer/Tax Collector processes, safeguards, and provides information regarding county financial activities, manages the county treasury pool, collects and distributes property taxes and other obligations owed to county agencies and courts with integrity, independent judgment, and courteous, outstanding service that is accessible to citizens, businesses, and other public agencies. We are accurate, fair, timely and innovative in the use of technology to enhance services throughout the County.



ORGANIZATIONAL CHART



*Includes one secretary position

2010-11 AND 2011-12 ACCOMPLISHMENTS

- Received the most recent annual Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, 23rd consecutive year for 2009-10.
- During 2011-12, electronic funds transfer (EFT) vendor payments increased by 22%, from 1,644 to 2,000.
- During 2010-11, e-Pay property tax payments increased by 11%, from 189,311 in 2009-10 to 209,768 in 2010-11.
- San Bernardino County reported a 77% recovery rate for court-ordered debt and was the sixth highest county in the state for gross dollars collected.



2012-13 GOALS, OBJECTIVES, AND PERFORMANCE MEASURES**GOAL 1: PROVIDE TIMELY AND ACCURATE FINANCIAL INFORMATION.**

Objective: Maintain and improve the financial accounting processes and reporting.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Estimate	2012-13 Target
Received Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes

The objective is to maintain the financial accounting system and to improve the internal processes for accounting and reporting.

In a measurable aspect of the commitment to provide timely and accurate financial information regarding the finances of the County, the Auditor-Controller/Treasurer/Tax Collector has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for 23 consecutive years for the Comprehensive Annual Financial Report (CAFR), including the most current award for 2009-10. The 2010-11 report has been submitted to the GFOA and the department is confident it continues to conform to the Certificate of Achievement Program requirements, and anticipates receiving the award.

GOAL 2: MANAGE THE COUNTY TREASURY IN A SAFE, EFFECTIVE AND EFFICIENT MANNER.

Objective: Maintain the highest possible credit rating from the three major rating agencies for the county investment pool.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Estimate	2012-13 Target
County investment pool rating	Moody's – Aaa, S&P – AAAf, and Fitch – AAA.	Moody's – Aaa, S&P – AAAf, and Fitch – AAA.	Moody's – Aaa, S&P – AAAf, and Fitch – AAA.	Moody's – Aaa*, S&P – AA+s*, and Fitch – AAA.	Fitch – AAA

The primary goal of the treasury function is to provide for safe and effective management of the cash and investments in the county investment pool. The objective selected to meet this goal is the maintenance of the highest possible credit rating in compliance to the County Investment Policy. The achievement of this objective will demonstrate the department's ability to effectively meet the goal of a safe and effective treasury. As guardian of the public's money, we employ conservative county investment policies, focused on the principles of safety, liquidity and yield.

*Ratings effective through March 31, 2012. During 2011-12, the County made the decision to terminate the rating contracts with Moody's and Standard and Poor's for a cost savings of \$60,000 annually.



SUMMARY OF BUDGET UNITS

	2012-13				
	Appropriation	Revenue	Net County Cost	Fund Balance	Revenue Over/ (Under) Exp Staffing
General Fund					
Auditor-Controller/Treasurer/Tax Collector	37,078,261	27,026,066	10,052,195		285
Total General Fund	37,078,261	27,026,066	10,052,195		285
Special Revenue Fund					
Redemption Maintenance	269,219	85,800		183,419	0
Total Special Revenue Fund	269,219	85,800		183,419	0
Total - All Funds	37,347,480	27,111,866	10,052,195	183,419	285

5-YEAR APPROPRIATION TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	39,961,950	38,143,630	34,607,550	33,757,029	37,078,261
Redemption Maintenance	179,486	180,350	182,140	268,647	269,219
Total	40,141,436	38,323,980	34,789,690	34,025,676	37,347,480

5-YEAR REVENUE TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	20,316,913	23,918,402	24,126,528	24,086,883	27,026,066
Redemption Maintenance	6,704	2,587	1,790	86,500	85,800
Total	20,323,617	23,920,989	24,128,318	24,173,383	27,111,866

5-YEAR NET COUNTY COST TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	19,645,037	14,225,228	10,481,022	9,670,146	10,052,195
Total	19,645,037	14,225,228	10,481,022	9,670,146	10,052,195

5-YEAR FUND BALANCE TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Redemption Maintenance	172,782	177,763	180,350	182,147	183,419
Total	172,782	177,763	180,350	182,147	183,419



Auditor-Controller/Treasurer/Tax Collector

DESCRIPTION OF MAJOR SERVICES

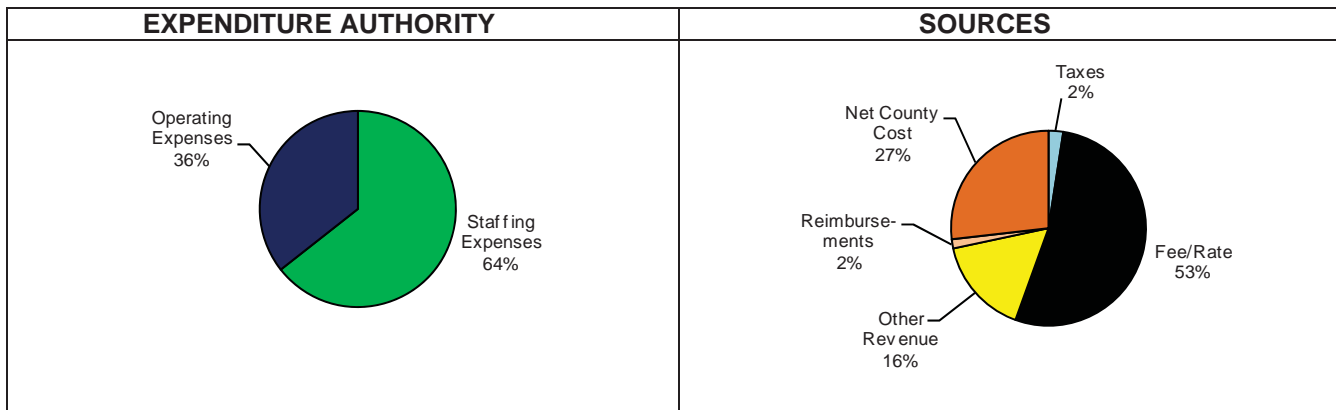
The Office of the Auditor-Controller/Treasurer/Tax Collector (ATC) is responsible for providing the county and its constituents with a variety of accounting, collections, and investment services.

The Auditor and Controller Divisions record the collections and perform the accounting, reporting, claims and audits of all county financial activities to ensure sound financial management. They are also responsible for the compilation of property tax rates, developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan. The Disbursements Division is responsible for vendor payments, payroll services, Employee Management and Compensation System (EMACS) development, and revenue disbursements to taxing agencies.

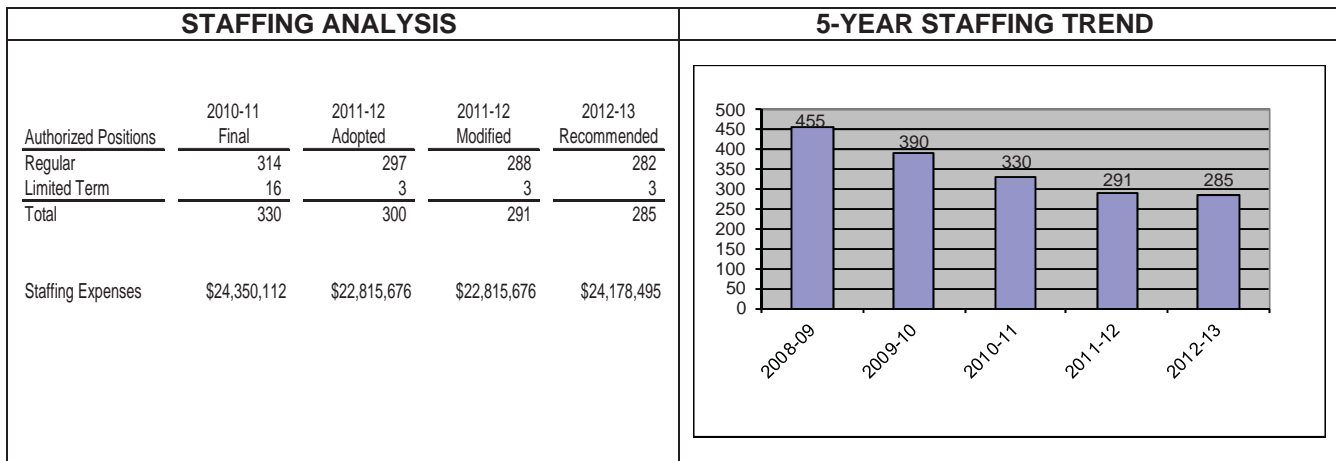
The Treasurer Division performs the County's treasury function including the investment of all County and School District funds within the County investment pool and associated banking services. The Treasurer currently manages assets of \$3.8 - \$4.7 billion. The Tax Collector Division collects property taxes for all County taxing entities which amounted to a little over \$2.1 billion in property taxes and other fees in 2011-12.

The Central Collections Division provides collection services for the county, collecting nearly \$58.0 million for the year ending June 30, 2012, including collection of court-ordered payments and Arrowhead Regional Medical Center's delinquent accounts receivable.

2012-13 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Fiscal
DEPARTMENT: Auditor-Controller/Treasurer/Tax Collector
FUND: General

BUDGET UNIT: AAA ATX
FUNCTION: General
ACTIVITY: Finance

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	26,022,082	24,458,313	24,350,111	22,513,293	22,815,676	24,178,495	1,362,819
Operating Expenses	10,921,875	13,826,130	11,778,908	12,195,391	12,548,285	13,367,595	819,310
Capital Expenditures	74,076	8,691	92,306	125,000	125,000	100,000	(25,000)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	37,018,033	38,293,134	36,221,325	34,833,684	35,488,961	37,646,090	2,157,129
Reimbursements	(1,425,899)	(1,430,338)	(1,614,279)	(1,420,717)	(1,731,932)	(567,829)	1,164,103
Total Appropriation	35,592,134	36,862,796	34,607,046	33,412,967	33,757,029	37,078,261	3,321,232
Operating Transfers Out	100,000	0	0	0	0	0	0
Total Requirements	35,692,134	36,862,796	34,607,046	33,412,967	33,757,029	37,078,261	3,321,232
Departmental Revenue							
Taxes	383,710	442,760	307,060	845,000	945,000	910,000	(35,000)
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	357,262	216,455	90,018	276,190	54,500	150,481	95,981
Fee/Rate	19,407,665	19,717,110	18,347,152	17,662,115	18,588,640	19,904,937	1,316,297
Other Revenue	249,731	2,999,989	5,382,219	4,934,469	4,498,743	6,060,648	1,561,905
Total Revenue	20,398,368	23,376,314	24,126,449	23,717,774	24,086,883	27,026,066	2,939,183
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	20,398,368	23,376,314	24,126,449	23,717,774	24,086,883	27,026,066	2,939,183
Net County Cost	15,293,766	13,486,482	10,480,597	9,695,193	9,670,146	10,052,195	382,049
Budgeted Staffing					291	285	(6)

BUDGET CHANGES AND OPERATIONAL IMPACT

During 2011-12, legislation enacted by the passing of AB26x1-Dissolution of Redevelopment Agencies (RDAs) - has greatly impacted the Controller Division of the ATC. Due to this new legislation, the Property Tax section has assumed the additional duties of interpreting and calculating the complex statutory and negotiated pass-through agreements of all former countywide RDAs, currently represented by 26 Successor Agencies. In addition to managing more than 150 agreements, the Property Tax section is also collecting each agency's Recognized Obligation Payment Schedule (ROPS), and incorporating Department of Finance adjustments to make payments to the Successor Agencies from each of their respective Property Tax Trust funds, in accordance with legislation.

Major appropriation changes include an increase in staffing expenses primarily due to the dissolution of the proposed work schedule reduction in 2011-12 for SBPEA represented employees; an increase of \$1.2 million in banking fees for the County's treasury pool; and a \$400,000 department-wide decrease in central computer infrastructure data processing charges from the Information Services Department.

Major revenue changes include a \$1.2 million increase in cost-reimbursement revenue for the treasury pool relating to the increase in banking fees, a \$500,000 increase resulting in reimbursement of costs for the ongoing duties pertaining to the AB26x1 legislation, and an increase of \$700,000 in Central Collections to fund budgeted expenses.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 RECOMMENDED BUDGET

Staffing expenses make up the majority of expenditures in this budget unit. These expenses are necessary to provide accounting, collections, and investment services to County departments and constituents. Departmental revenue primarily represents fee/rate and cost-reimbursement revenue generated by services provided.

STAFFING CHANGES AND OPERATIONAL IMPACT

Budgeted staffing has been reduced by 9 positions; 8 information technology positions were transferred to the Assessor/Recorder/Clerk, and 1 Recurrent Office Assistant II was eliminated. These reductions are partially offset by the addition of the following 3 positions: 1 Accountant III and 1 Accountant II for the Controller Division due to the new AB26x1 legislation, and 1 Internal Auditor IV in the Audit Division to perform more complex audits.



2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Management	7	0	7	7	0	0	7
Administrative Support	9	0	9	9	0	0	9
Information Technology Division	21	0	21	21	0	0	21
Auditor Division	27	0	27	21	5	1	27
Controller Division	32	2	34	31	1	2	34
Disbursements Division	38	0	38	35	3	0	38
Treasurer Division	7	0	7	7	0	0	7
Tax Collection Division	48	1	49	47	2	0	49
Central Collections Division	93	0	93	84	9	0	93
Total	282	3	285	262	20	3	285

Management		Administrative Support		Treasurer Division	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
Elected Auditor-Controller/Treasurer/Tax Collector		1 Administrative Supervisor I		1 Cash Manager/Investment Officer	
1 Collector		1 Special Projects Administrator		Assistant Cash Manager/Investment Officer	
3 Assistant Auditor-Controller/Treasurer/Tax Collector		1 ATC Building Coordinator		1 Officer	
3 Executive Secretary III		1 Accountant III		2 Investment Analyst	
7 Total		1 Payroll Specialist		1 Treasurer Office Manager	
		1 Fiscal Specialist		1 Accounting Technician	
		2 Office Assistant III		1 Fiscal Assistant	
		1 Office Assistant II		7 Total	
		9 Total			
Auditor Division		Tax Collection Division		Information Technology Division	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1 Auditor-Controller Division Chief		1 Tax Collection Manager		1 Departmental IS Administrator	
1 Secretary I		1 Tax Collector Accounting Manager		1 Secretary I	
2 Auditor-Controller Manager		1 Tax Sale Manager		2 Business Applications Manager	
1 Supervising Accountant III		1 Supv Accounting Technician		2 Business Systems Analyst III	
2 Supervising Internal Auditor III		7 Collections Officer		2 Department Systems Engineer	
2 Systems Accountant III		5 Accounting Technician		4 Programmer Analyst III	
4 Systems Accountant II		3 Supervising Office Assistant		1 Programmer III	
1 Internal Auditor IV		3 Fiscal Specialist		2 Automated Systems Analyst II	
5 Internal Auditor III		9 Fiscal Assistant		3 Automated Systems Analyst I	
5 Accountant III		7 Office Assistant III		3 Automated Systems Technician	
2 Accountant II		11 Office Assistant II		21 Total	
1 Accounting Technician		49 Total			
27 Total					
Controller Division		Disbursements Division		Central Collections Division	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1 Auditor-Controller Division Chief		1 Auditor-Controller Division Chief		1 Director of Central Collections	
1 Secretary I		1 Secretary I		1 Chief Central Collections	
2 Auditor-Controller Manager		2 Auditor-Controller Manager		1 Secretary II	
2 Supervising Accountant III		1 EMACS Manager		1 Auditor-Controller Manager	
1 Supervising Fiscal Specialist		1 Supervising Accountant III		1 Chief Collections Supervisor	
1 Systems Accountant II		1 Supervising Accountant II		2 Supervising Accountant II	
2 Internal Auditor III		3 Supervising ATC Payroll Technician		2 Accountant III	
7 Accountant III		1 Systems Procedures Analyst II		1 Accountant II	
2 Accountant II		2 Systems Procedures Analyst I		6 Supervising Collections Officer	
4 Accounting Technician		1 Systems Accountant II		1 Supervising Fiscal Specialist	
1 Fiscal Specialist		2 Accountant III		54 Collections Officer	
3 Fiscal Assistant		1 Staff Analyst I		2 Accounting Technician	
4 Office Assistant III		1 Accounting Technician		1 Fiscal Specialist	
1 Office Assistant II		5 ATC Payroll Technician		5 Fiscal Assistant	
2 Public Service Employee		4 Fiscal Specialist		3 Office Assistant III	
34 Total		5 Fiscal Assistant		11 Office Assistant II	
		5 Office Assistant III		93 Total	
		1 Office Assistant II			
		38 Total			



Redemption Maintenance

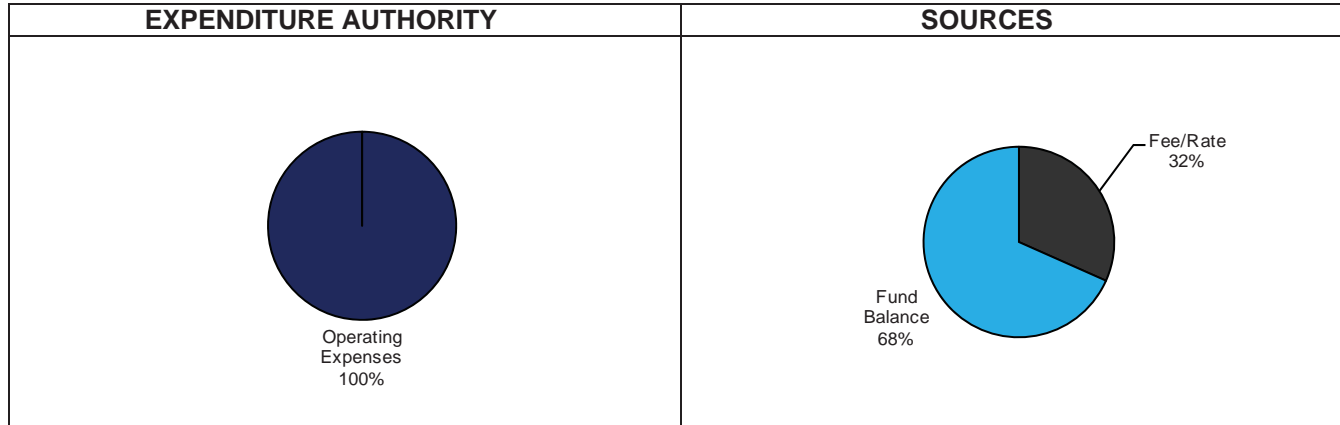
DESCRIPTION OF MAJOR SERVICES

The Redemption Maintenance budget unit was established to defray the costs of maintaining the redemption and tax-defaulted files, and the costs of administering and processing the claims for excess tax sale proceeds. Revenue includes unclaimed excess tax sale proceeds collected pursuant to Revenue and Taxation Code 4674.

Budget at a Glance

Total Expenditure Authority	\$269,219
Total Sources	\$85,800
Fund Balance	\$183,419
Total Staff	0

2012-13 RECOMMENDED BUDGET



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Fiscal
 DEPARTMENT: Auditor-Controller/Treasurer/Tax Collector
 FUND: Redemption Maintenance

BUDGET UNIT: SDQ TTX
 FUNCTION: General
 ACTIVITY: Finance

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
<u>Appropriation</u>							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	268,647	269,219	572
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	0	0	0	0	268,647	269,219	572
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	0	0	0	268,647	269,219	572
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	0	0	0	0	268,647	269,219	572
<u>Departmental Revenue</u>							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	85,000	85,000	0
Other Revenue	4,981	2,587	1,797	1,272	1,500	800	(700)
Total Revenue	4,981	2,587	1,797	1,272	86,500	85,800	(700)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	4,981	2,587	1,797	1,272	86,500	85,800	(700)
Fund Balance					182,147	183,419	1,272
Budgeted Staffing					0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

No significant changes in the 2012-13 Budget.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 RECOMMENDED BUDGET

Transfers of \$269,219 represent a reimbursement to the Auditor-Controller/Treasurer/Tax Collector's general fund budget unit for staffing expenses and operating expenses for work related to the processing of excess tax sale proceeds.

Departmental revenue of \$85,800 represents revenue from unclaimed excess tax sale proceeds trust funds and anticipated interest earnings.



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